

Introduction

The *Federal Legislative Update*, published several times a year by the Texas Workforce Investment Council (Council), informs stakeholders about developments in federal legislation that impacts workforce policy. This update, the third of 2013, focuses on recent activity in Congress.

Each United States Congress is two years in length and is made up of two sessions. The first session convenes on January 3 of odd-numbered years and subsequently adjourns on January 3 of the following year. The second session convenes from January 3 of even-numbered years, and continues to the following January 3. The 113th session of Congress began on January 3, 2013.

The current Congress is led by Senate President Joe Biden, Senate President Pro Tempore Patrick Leahy, and House Speaker John Boehner. There are 100 senators, 435 house representatives, and six non-voting members.

WIA Reauthorization

On June 20th, the Senate Health, Education, Labor, and Pensions (HELP) Committee held a hearing on “Developing a Skilled Workforce for a Competitive Economy: Reauthorizing the Workforce Investment Act (WIA).” In his opening remarks, Committee Chairman Senator Tom Harkin praised the efforts of Senators Patty Murray and Johnny Isakson for their efforts in working toward reauthorizing WIA. He also thanked ranking member Senator Lamar Alexander for his help in updating the Rehabilitation Act as part of the committee’s work on WIA. Other committee members spoke about the bipartisan efforts that had gone into the draft legislation and their hope that a reauthorization bill could be voted upon in the near future.

As mentioned by committee members, a draft bill to reauthorize WIA was released just prior to this committee hearing and comments were sought from stakeholders. Then, on July 25, the bill was formally introduced as Senate bill (S) 1356, the *Workforce Investment Act of 2013*. The bill is similar to a draft reauthorization bill that was circulated in 2011 which was based on legislation passed by the Senate in 2006. The text of the introduced bill has not been released yet but is reported to be largely similar to the initial draft version which is summarized below. The bill is scheduled for a HELP Committee hearing on July 31.

The draft bill maintains the basic structure of the current system, particularly as it relates to the one-stop workforce centers, while allowing for updating, streamlining, alignment, and increasing flexibility. For Texas, the grandfathering provisions that are in the current WIA legislation remain in the draft version, allowing the state and local workforce boards to retain their current membership makeup as well as their duties.

There is an additional title in the draft bill. The new Title I regulates the makeup of state and local boards and includes provisions to strengthen program alignment with some changes to

board membership, state and local plans, and accountability measures. Adult and dislocated workers services would be moved to the new Title II. Title III would become the adult education and literacy program, Title IV would include amendments to the Wagner-Peyser Act, Title V would include Rehabilitation Act amendments, and Title VI would include general provisions.

The bill would make some changes to the membership of state workforce boards not grandfathered. State boards would no longer be required to be chaired by a business representative but the boards would maintain a business membership majority. Business members must represent in-demand industries. At least 20 percent of board membership must represent labor, with the remaining membership representing governmental entities, as well as at least one member representing a registered apprenticeship program.

The duties of state boards would be expanded to include providing guidance for improving the system, identifying best practices, developing accountability measures, and developing integrated data systems to improve coordination of services. State boards would be charged with the development of career pathways and innovative workforce strategies and seeking ways to remove barriers to better coordination among system partners.

Local boards would remain chaired by a business representative with majority business membership. Outside of grandfathered states there would be the 20 percent labor membership requirement. Local boards would also include representatives of higher educational institutions as well as registered apprenticeship programs. Governmental entities and economic development agencies must be represented as well.

Local boards would be charged with helping to develop career pathways as well as reviewing applications of potential adult education providers. In addition, the process for designating local workforce areas would remain largely the same. Governors would be responsible for continuing designation of current areas, if requested, and if they are performing well.

In the draft bill, the state plan would cover a four-year period. Modifications may be submitted halfway through. One of two types of plans can be submitted, a unified state plan or a combined state plan. Local plans would also be written to cover a four-year period. The plans would need to include local economic data, career pathways, and methods of dual enrollment in programs, as well as integrate local employer engagement and entrepreneurial skills.

Title I contains a provision authorizing Workforce Innovation and Replication Grants, which were first proposed by the administration and funded in 2011. The funding would come from core programs but only if available after exceeding FY 2010 levels. The main purpose of these grants is to implement innovative methods to improve delivery of services. The state board is charged with collaborating with the governor in applying for grants under this section. Some of these grants will support youth services, including those that enhance postsecondary education. The grants would support innovative strategies to align and strengthen the system in a state or local area.

The new Title I also contains a provision requiring the secretary of labor to issue guidelines for qualifications for directors of state and local boards. The secretary is to consult with various stakeholders when developing these guidelines, including members of state and local boards.

As previously indicated, Title III would regulate the adult education program and expand its focus to include postsecondary transitions and employment as program goals, but the unique accountability measures would be removed. This title extends the emphasis of the new Title I and Title II on coordination between adult education and occupational training and increasing dual enrollment in such programs.

Other Workforce-Related Legislation

As mentioned in last quarter's update, on March 15, the House of Representatives passed House bill (HR) 803, the *Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act*. This bill consolidates 35 federal job-training programs into one Workforce Investment Fund, and requires a two-thirds majority of business representatives on state workforce boards. The *SKILLS Act* also maintains the provision allowing governors to retain reserve funds (15 percent of funds allotted for statewide employment and training activities), and gives governors more authority over workforce area designation. This legislation is similar to the *Workforce Investment Improvement Act of 2012* that was passed by the House Education and the Workforce Committee during the 112th Congress. HR 803 has been referred to the Senate HELP Committee but has yet to receive a hearing.

On April 24, the *Careers Through Responsive, Efficient, and Effective Retraining (CAREER) Act*, S 804, was introduced. The CAREER Act would require the president to issue a report to Congress outlining ways to reduce the number of federal job-training programs, without decreasing services or accessibility to services by special populations. It would prioritize training programs that award national, industry-recognized credentials; authorize states to use up to 25 percent of their WIA formula funds for outcome-based contracting; and, authorize state workforce agencies to access the National Directory of New Hires. The purpose of the bill is to establish incentives for accountability through a Pay for Performance pilot program, to measure performance, and to better connect the unemployed to jobs. The bill awaits a hearing in the Senate HELP Committee.

The *Workforce Investments through Local Libraries (WILL) Act*, S 882, was introduced on May 7th and referred to the Senate HELP Committee. The bill would add public librarians to state and local workforce boards. The purpose of the WILL Act is to integrate libraries into the workforce system. Libraries are increasingly becoming a regular point of contact for individuals seeking workforce services, particularly in relation to adult literacy training. The bill also contains a provision to improve interagency collaboration among federal agencies for the delivery of workforce services. The bill also awaits a hearing.

On July 19, the House passed the *Student Success Act*, HR 5, to reauthorize the Elementary and Secondary Education Act (ESEA). The bill includes provisions that would allow states to design accountability systems and improvement strategies, direct states to create evaluation systems that consider student achievement, consolidate 70 federal education programs, and provide funding

for increasing charter and magnet schools. On June 12, the Senate HELP Committee passed the *Strengthening America's Schools Act of 2013*, S 1094, a different version of ESEA reauthorization but the full Senate has yet to debate it.

Federal Agency News

As mentioned in the last update, on March 19 the president nominated Thomas Perez to replace Hilda Solis as Secretary of the U.S. Department of Labor (DOL). On July 18, the Senate voted to confirm Mr. Perez, who previously served as the director of the U.S. Justice Department's Civil Rights Division. On May 16, the Senate HELP Committee had recommended that Mr. Perez be confirmed by the full Senate.

On July 15, Eric Seleznow was appointed Deputy Assistant Secretary of the Employment and Training Administration (ETA) at DOL. He will also serve as Acting Assistant Secretary of ETA until a new assistant secretary is nominated by the President and confirmed by the Senate. Most recently, Mr. Seleznow served as State Policy Director for the National Skills Coalition. Prior to that position, he served as Director of the Governor's Workforce Investment Board for the state of Maryland. Prior to that post, he accumulated many years of experience in the workforce system, including in economic development as well as administering training and employment services for incarcerated persons.

Following the departure of former Assistant Secretary Jane Oates who resigned at the end of May, Gerri Fiala served as Acting Assistant Secretary of ETA, until Mr. Seleznow's appointment. Ms. Fiala has been Deputy Assistant Secretary of ETA since 2009. She came to the position after serving as staff director for the Senate HELP Subcommittee on Employment and Workplace Safety. Ms. Fiala worked in ETA's Office of Strategic Planning several years ago, departing as its administrator. Between her earlier DOL career and her work as a Senate staffer, Ms. Fiala worked as the director for workforce research at the National Center on Education and the Economy.